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### Looking anew at women's entrepreneurship: How the family firm context and a radical subjectivist view of economics helps reshape women's entrepreneurship research (Women Entrepreneurs in Family Business: A Radical Subjectivist View)

Mary Barrett

*University of Wollongong*, mbarrett@uow.edu.au

Ken Moores

*Bond University*

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## **Looking anew at women's entrepreneurship: How the family firm context and a radical subjectivist view of economics helps reshape women's entrepreneurship research (Women Entrepreneurs in Family Business: A Radical Subjectivist View)**

### **Abstract**

As noted in a current call for papers (Entrepreneurship: Theory & Practice 2010), there has recently been a dramatic expansion of scholarly interest and activity in the field of women's entrepreneurship. The U.S. based Diana Project, to name just one research group in the field, has grown rapidly into a global network of researchers, generating numerous conferences, symposia, and publications. Journals such as Entrepreneurship: Theory & Practice and more specialised publications including Family Business Review have sponsored special issues on women's entrepreneurship, allowing scholars to synthesize insights in the field from empirical and conceptual work worldwide.

### **Keywords**

Looking, anew, women, entrepreneurship, family, firm, context, radical, subjectivist, view, economics, helps, reshape, women, entrepreneurship, research, Women, Entrepreneurs, Family, Business, Radical, Subjectivist, View

### **Disciplines**

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**Looking anew at women's entrepreneurship: How the family firm context and a radical subjectivist view of economics helps reshape women's entrepreneurship research  
(Women Entrepreneurs in Family Business: A Radical Subjectivist View)**

**Barrett, Mary (U. of Wollongong) & Moores, Ken (Bond University)**

As noted in a current call for papers (*Entrepreneurship: Theory & Practice* 2010), there has recently been a dramatic expansion of scholarly interest and activity in the field of women's entrepreneurship. The U.S. based Diana Project, to name just one research group in the field, has grown rapidly into a global network of researchers, generating numerous conferences, symposia, and publications. Journals such as *Entrepreneurship: Theory & Practice* and more specialised publications including *Family Business Review* have sponsored special issues on women's entrepreneurship, allowing scholars to synthesize insights in the field from empirical and conceptual work worldwide.

While this has helped consolidate knowledge about women's entrepreneurship and correct historical inattention to it, women entrepreneurs remain understudied, despite their being 'one of the fastest rising populations of entrepreneurs and [the fact] that they make a significant contribution to innovation, job and wealth creation in economies across the globe' (de Bruin, Brush, and Welter 2006: 585). Yet there is also a call for new directions in the women entrepreneurship field. De Bruin, Brush, and Welter (2006) note that the challenge ahead is 'not merely to suggest that more research is the answer – rather, [such research] must be connected to theory'. We agree with de Bruin and her colleagues (2006: 590) that the aim of future research should be 'to capture the heterogeneity of what constitutes women's entrepreneurship', and 'to be progressively additive and complementary, with studies that connect and build on one another'.

This paper aims to set out some ways we can help rethink the women's entrepreneurship research agenda in the way these researchers are calling for. Ahl (2004), de Bruin, Brush, and Welter (2006), Bruni, Gherardi, and Poggio (2004), Collinson and Hearn (1996), Sinclair (2004, 2007) are all saying in various ways that rather than more descriptive or highly local research into women entrepreneurship, we need better more and better theory. One way to do this is to avoid succumbing to reductionist views of women entrepreneurs: overly simple claims either that women's entrepreneurship is always and essentially *different* from that of men (an outcome which tends to emerge from a social feminist perspective), or that it is always and essentially the *same* as men's, a frequent consequence of liberal feminist views (Barrett and Moores 2009). While both social and liberal feminist viewpoints yield important insights into women's entrepreneurship, pursuing the one without adequate acknowledgement of the other leads to self-imposed limitations of understanding.

*Focusing on the context of women entrepreneurship: the value of a family firm perspective*

Focusing on the *context* of women's entrepreneurship rather than pursuing a specific feminist ideology could be a way out of the current theoretical impoverishment or impasse. Taking context seriously could begin with focusing on one specific important context for women's entrepreneurship: family firms. Family firms are regularly acknowledged as a source of the next generation of entrepreneurs. Yet family firms are themselves a relatively new area of study, though they have also had some special issues devoted to them in *Entrepreneurship: Theory & Practice* (for example 2006, volume 6). Within family firms, women entrepreneurs are an element which has been studied even less. It could be said that family firms constitute a relatively new research site for women entrepreneurship. Considering women's entrepreneurship in family firms suggests ways to build on key debates, puzzles and questions in existing scholarship on women entrepreneurs to build a richer, more robust understanding of this phenomenon.

### *A way forward: the radical subjectivist (RS) view of entrepreneurship*

As well as focusing on context, we need an adequately complex, comprehensive and integrated view of entrepreneurship, if we are to have adequate tools for examining women's entrepreneurship. While it is a commonplace that there is still no consensus about what entrepreneurship is, there has been a discernible shift in how it is studied. Aldrich and Martinez (2003) point to: (a) a shift in theoretical emphasis from the characteristics of entrepreneurs as individuals to the consequences of their actions, (b) a deeper understanding of how entrepreneurs use knowledge, networks, and resources to construct firms, and (c) a more sophisticated taxonomy of environmental forces at different levels of analysis (population, community, and society) that affect entrepreneurship.

### **A radical subjectivist approach to economics**

Radical subjectivism (RS), through an interdisciplinary perspective, takes an integrative view of entrepreneurship. According to Chiles (2010), the RS approach to entrepreneurship means a focus on novel products that result from entrepreneurs' divergent imaginations and drive far from equilibrium market processes to create a new market order. Building on and extending Austrian economics, its defining characteristic is a focus on disequilibrium markets and the processes that drive them. Consequently, the assumptions of other, otherwise closely related theoretical approaches such as entrepreneurial enactment, social constructionism and much of complexity theory are inappropriate, because they 'emphasize social systems that tend toward homogeneity and equilibrium or human agents who react to imposed environments, search existing terrains, or recall actions already taken' (Chiles et al. 2010: 10).

### *The entrepreneurial imagination*

According to the RS perspective, and regardless of the gender of the entrepreneur, the 'entrepreneurial imagination' is an integral aspect of entrepreneurship. This special capacity is the 'ability to conceive of something, seen only fragmentarily or superficially, as a complete, perfected, and integrated whole' (Chiles et al. 2010: 16). The entrepreneurial imagination focuses on three aspects of creative organizing, which require an interdisciplinary perspective to understand them fully:

- a) *empathy* (from psychology),
- b) *modularity* (from strategy and organization theory), and
- c) *self-organization* (one element of complexity theory).

There are two other important principles to how the entrepreneurial imagination works. First, it is essentially forward-looking rather than inspired by the past. That means it is not the same as analogy or pattern making. Rather it entails *imagination visualization* which is future focussed, not *memory visualization* which is past focussed. Second, entrepreneurial thinking and behaviours are always 'decisions of the individual' (hence the 'subjectivism' in the term 'radical subjectivism'). This return to a focus on the individual seems to run counter to the dominant trends in entrepreneurial research described earlier. However, rather than relying on the idea that an individual's personality is special, the concept of the entrepreneurial imagination summarises broad three imaginative capacities – empathy, modularity, and self-organizing – which transcend classic 'personality' analyses to encompass modes of conceptualising people, firms and markets.

### **Structure of the paper**

For each of these central facets of the creative imagination regarded as central to the RS perspective, we will first briefly define it, explaining what it enables according to the RS

view. The task of definition can include considering what is specifically excluded from it and also what might be added without breaching the fundamentals of the RS perspective. It will also include a discussion of limitations of the relevant aspect in the entrepreneurship process. Then, referring to our previous research on men (Moore and Barrett 2002) and women (Barrett and Moore 2009) behaving entrepreneurially in the family firms, we will outline how the relevant aspect of entrepreneurial imagination may take on special dimensions in the family firm context. Next, we will consider how the relevant aspect plays out for women in family firms, specifying some possible new research questions. Ultimately, our goal is to suggest new lines of inquiry into long-established problems in women entrepreneurship.

## Empathy

### **Definition**

Empathy helps entrepreneurs to invent and organize subjectively imagined novel ideas in their minds (Chiles et al. 2010). Many conceptions of entrepreneurship incorporate ideas of novelty or innovation. What separates the RS perspective from these others is how empathy actually *constrains* novelty. That is, creativity, novelty and innovation are not the only requirements of the entrepreneurial imagination; it must be a *constrained* imagination because it must be appropriate for its target users, ie it must have *value* to someone, such as future customers, or even customers in another culture. *Empathy* is what entrepreneurs use to imagine what will be of value to these customers.

Empathy is not the same as projection, as in projecting your own ideas or emotions on to someone instead of understanding theirs. Yet projection may work as ‘accidental empathy’, and so be the source of many new ventures (Chiles et al. 2010: 21). These authors also propose that ventures based on projection or accidental empathy are more likely to be ‘one-shot wonders’; that is, they are more likely to fail than ventures based on true empathy.

Empathy needs genuine familiarity with the end user, otherwise there is a tendency towards conservatism in predicting the degree of novelty or risk in what end users will find attractive. This leads to an important revision of the traditional view of the entrepreneur as a risk-taker, someone who is convinced – often against much opposition – about the value of his or her idea. The RS perspective argues that someone who relies only on his or her own view of how much novelty or risk end users will tolerate in a new product will tend to make ‘regressive mispredictions of customers’ risk preferences’ (Chiles et al. 2010: 20). In contrast, entrepreneurs who are familiar with end users will become aware of circumstances in which customers have tolerated higher levels of product risk and novelty than they would themselves. For example, in Chiles et al.’s extended case study of the development of CareerBuilders, which used then radically new online technologies for advertising and recruiting for jobs, the entrepreneurs had intimate knowledge of Hewlett Packard’s customers before setting up the new firm. This meant they were aware of the sometimes quite high levels of novelty and risk these customers would accept to solve specific problems. This enabled them to empathize with similar customers’ needs and led them to develop a more novel, riskier, yet ultimately more successful product than they would have if they had relied on their own product risk preferences.

### **Empathy and family firms**

#### *Family firm background and the development of empathy*

Having a family firm background has long been noted as a good way for both men and women to become familiar with the general and personal disciplines needed for business, including the necessity of meeting customer needs, and ways of doing this (see Barrett and

Moore's 2002). Family firms are often acknowledged as incubating many of the next generation of entrepreneurs.

### **Empathy, women and family firms**

#### *Developing knowledge of customers' needs*

It is to be expected that having a family firm background should also be an excellent way of becoming acquainted with customers' risk preferences, just knowing Hewlett Packard's customers influenced the CareerBuilders entrepreneurs knowledge in this area. Barrett and Moore's (2009) study of entrepreneurial women in family firms features several entrepreneurs whose capacity to imagine novel ways to meet customers' needs was honed before they had – or even hoped for – a recognised role in the family firm. One was Gloria, a Hong Kong businesswoman who familiarised herself with the story of how her father founded a plastics moulding business after his escape from the Kuomintang to Hong Kong in 1947. She also drew on her own memories of the early days of the new business when she was a small child and helped her father demonstrate his machinery. These experiences taught her that customers attached value not just to new, effective machinery but to the sense of adventure and confidence in the product's effectiveness they perceived when the entrepreneur used his children to demonstrate a complex product. When she entered the family firm much later, she featured her father's adventurous story at trade exhibitions, confident that the extra value created by 'packaging her father' would compensate for the major financial risks she took when spending more on new machines than the firm had ever done before.

#### *'Chief Emotional Officers'*

Family business researchers and consultants have also focussed on women's capacity for empathy in a different way. Family business women, especially mothers, have often been cast as 'Chief Emotional Officers' (eg Lansberg, n.d.; Schwerzer, n.d.; Schreier-Fleming 2008). In that role they give emotional support to other, male members of the family firm and this in turn leads these others to be more effective, including more effective as entrepreneurs. This is clearly a different view of empathy from RS empathy, which is about capacity to imagine new ways to meet customer needs. Nevertheless, some of the cases in Barrett and Moore's (2009) point to how perceptions of 'female empathy' have been seen as a source of value to customers. One entrepreneur in the funeral business combined perceptions of women as empathetic with the value of his own long-established family name in the funeral business to establish a new area of the business with his daughter named as its head.

#### *Meeting internal customers' needs*

Even without making the leap from 'empathy as capacity to imagine new ways to meet customer needs' to 'empathy as product', we can still ask whether family business women's traditional roles as 'emotional officers' might provide them with experiences which heighten their capacity to imagine new ways to meet customer needs. Moreover, if we take a Total Quality Management (TQM) definition of customer, which includes other members of the firm as one's 'customers', it would be possible to conceive of this 'emotional leadership' of women as adding value to the family firm from its (internal) customers' perspective. Still further, if we accept the view of Chrisman and Sharma (1999) following Collins and Moore (1970) that entrepreneurship can include innovation or renewal within an existing firm, not only the establishment of new firms, then innovations in a firm's management style, including those frequently associated with women's emotional leadership come within this definition of new ways of meeting (internal) customer needs. Brenda and Deborah in Moore's and Barrett (2009) both used new management approaches which were highly unusual at the time, especially in Brenda's case where her firm, a motor dealership, was part of a highly male-

dominated and ‘male-image’ industry. The new management approaches were regarded by many as ‘mollycoddling the staff’ or as evidence of weakness and uncertainty. However they were seen by both entrepreneurs as highly efficacious, central to their ideas about how they ran their firms, and crucial to their firms’ eventual financial success.

## **Empathy and women’s entrepreneurship research**

### *Learning for entrepreneurship*

The preceding discussion around women, family firms and entrepreneurial empathy as part of the entrepreneurial imagination suggests some new ways to consider old problems in women’s entrepreneurship research. One long-standing issue is the extent to which women’s backgrounds prepare them – or fail to prepare them – for entrepreneurial roles in society. Women are frequently cited as having a less appropriate preparation for business ownership than men (Global Entrepreneurship Monitor 2004; 2007; 2008). Yet women’s background in family businesses – perhaps, paradoxically, their support roles mean they were *not* expected to become leaders in the firm – may actually compensate for these deficits. How women’s entrepreneurial skills are developed in the family firm context could refocus this classic problem in women entrepreneurship research.

### *Women’s ‘special leadership qualities’*

Another old problem in women entrepreneurship and management research is the often claimed ‘special’ or ‘female’ qualities of women as leaders, entrepreneurs or managers. Following Ahl (2004) and increasing numbers of other critics of ‘essentialist’ views of women leaders and managers, we are extremely cautious about any idea that there is something *inherently* different about women that makes their style of management different from men’s. However we may still ask whether management practices more frequently associated with women than men have novelty which creates value. For example, and in the family business context, we may ask whether there is something about the ‘Chief Emotional Officer’ role that women have traditionally fulfilled that allows them to develop special skills and insights which heighten their capacity to imagine new ways of meeting customer needs. The Chief Emotional Officer, according to Lansberg (n.d.: 2) may ‘powerfully shape perceptions of their children’s competence – so much so that they can alter the relative standing of the potential successors’. To this extent the Chief Emotional Officer also shapes the long-term entrepreneurial landscape of the firm. If there appears to be something to this, could these skills somehow be replicated outside family firms? Could they also be made available to men?

Moore and Barrett (2009) revealed several instances of women who developed products which focus on imagined futures for customers who do not yet exist. Often, it was some aspect of the nature of a family firm, its stability or its patient capital, which allowed these so far only imagined futures to be investigated and realised. A family firm’s stability and long-term focus were needed to foster entrepreneurial empathy, indeed to help members imagine themselves as having entrepreneurial futures. The family firm appears as an apt site for thinking about and investigating how entrepreneurial empathy is engendered in men and women.

## **Specific research questions**

The role of a family firm background in development women’s entrepreneurial empathy might be tested through specific inquiries centring on the performance of women-led firms. Specific research questions might include the following:

*Do women-led firms based on high levels of intentional empathy (as judged by an independent measure) perform better (eg grow more, last longer, make more profit) than women-led firms which are the results of 'accidental empathy', controlling for other factors known to influence the size of women's firms?*

and

*Are these higher levels of intentional empathy mediated by aspects of the entrepreneur's family business background? What aspects of this background seem to be particularly important to an entrepreneurial future?*

Measures of intentional (rather than accidental) entrepreneurial empathy might also be developed as a way of defining general antecedents to women's entrepreneurship.

### Modularity

#### **Definition**

In the RS view of entrepreneurship, modularity is an important aspect of how managers organize their firms' heterogeneous resources to respond to dynamic markets buffeted by continuous change, abrupt shifts, and unpredictable competition (Chiles et al. 2010: 22-23). A module is 'a unit whose structural elements are powerfully connected among themselves and relatively weakly connected to elements in other units', that is, they have 'common interface specifications' (Chiles et al. 2010: 23). Because entrepreneurs imagine and assemble the capital structure of their firms through their subjective expectations of the future (and interpretations of the past), that structure is not only novel but inherently heterogeneous. When inputs and demands are both heterogeneous, modularity can greatly enhance the ability to meet diverse demands with diverse system configurations (Schilling and Steensma 2001: 1153).

There are two broad aspects of modularity: *complementarity* and *substitutability*. Complementarity promotes stability within firms. It takes two forms:

*Plan complementarity* of resources within a single firm, and

*Structural complementarity* of capital resources controlled by different firms that interact with each other in the market.

Substitutability, in contrast to complementarity, facilitates change within firms. Substitutability refers to the capacity of individual elements within, say, a product, an R & D process, or some other aspect of a company's business model, to be removed and replaced with minimal disruption or loss of productivity (Schilling, 2000; Pil and Cohen 2006). A readily recognisable example is 'plug and play' capacity: a new piece of audio or computer equipment can be bought and simply 'plugged in' to equipment a customer has already purchased. Chiles et al. (2010: 25) point out that to achieve a balance of flexibility and stability, resources within firm or product modules should complement one another, but the modules themselves should be substitutable with others capable of upgrading their functionality.



## Modularity and family firms

### Plan complementarity

#### *‘Familianness’ as a resource*

‘Familianness’, the understandings among business family members that arise from their shared goals and reciprocal altruism, is increasingly being viewed as a resource to family firms. As such familianness becomes one of many heterogeneous resources to which a family firm has access. The term ‘familianness’ is still being developed to a level of rigour which will make it adequate as an analytical tool for research, but it is characterised by Miller and Le Breton-Miller (2005) in terms of four Cs: Continuity, Community, Connections and Command, as in Table 1:

Table 1: The Four Cs of Familianness

Quality	Meaning
Continuity	Stability and focus
Community	Clannish behaviour
Connections	Dependence on powerful partners
Command	Independence from shareholders which allows quick and unorthodox action

Source: Miller and Le Breton-Miller (2005)

Studies with a Resource Based View orientation are increasingly investigating the power of familianness as a resource. For example, Eddleston, Kellermanns and Sarathy (2008) have studied how a family specific resource (reciprocal altruism) and a firm specific resource (innovative capacity) contribute to family firm performance. They found that family firms can benefit from emphasizing the positive aspects of kinship and from developing innovative capacities. They demonstrated that not only do firm specific resources contribute to family firm performance, but also that family relationships can be a source of competitive advantage for a family firm.

#### *Developing complementarity skills in the next generation*

Family firms, through their longevity and ‘patient capital’, will often be in a position to allow the younger generation – potential entrepreneurs – to develop new products which have a modular relationship with the firm’s existing products or services. For example, the Murdoch family’s News Limited has allowed members of the younger generation to develop new areas of the media business, sometimes founding subsidiary firms. These activities may be designated as training for the firm’s main business or an undertaken as a deliberate strategy of diversification. The ‘subjective expectations of each entrepreneur’, said in the RS approach to be essential to this process, are likely to be better informed if the entrepreneur has a family business background which has enabled him or her to watch previous new products being developed.

### Structural complementarity

#### *'Familianness' enabling structural complementarity*

'Familianness', as discussed earlier, may serve as a resource to family firms within an industry as well as within a single firm. An example from Moores and Barrett (2002) is a comment from a family firm CEO in the packaging business about how he recognised a speed of decision-making in another firm with whom he was seeking a strategic alliance so that both of them could expand internationally. In his view this capacity for quick decision-making was part of the culture of family firms, and a sign that other aspects of the two firms' working methods would also be complementary. Further examples of valuable social rather than financial capital resources controlled by family firms are interlocking directorates explained in Lester and Cannella (2006).

#### *Business families and structural complementarity*

Business families, where a single family controls a number of different firms, may exercise a great deal of control over capital resources within one or more industries. Dieleman and Sachs (2008) examine the Salim Group in Indonesia which built extraordinary levels of control over capital resources, sufficient to outweigh – indeed sometimes be indistinguishable from – government control over these resources. Family firms may also exhibit some special structural complementarities with each other, even though the resources controlled may constitute social capital rather than financial capital. Eddleston, Kellermanns and Sarathy (2008) For example, family firms may recognise and take advantage of a shared 'familianness' approach to how they are managed.

### Substitutability

*Family firms' longevity enhances substitutability* As with plan complementarity, the longevity of some family firms is likely to make them more able to provide substitutability when the younger generation starts its own firms. Moores and Barrett (2002) examined the case of a family firm whose main business was a major tourist resort in an attractive mountain location. At the time we conducted the research, a member of the firm's fourth generation was exploring a new business option: a conference centre which would be based in another location. The new business would clearly be able to 'plug and play' into the original family firm's resources: its catering capacities and skills, a well-established customer base, and, importantly, the younger generation's access to expertise gained over many years' exposure to the practices of the family firm.

#### *Modularity and family/non-family issues*

Baetjer (1998) says the value of organizing modularly is what it does for the individuals working on the structure of the organization itself (Chiles et al. 2010: 26). Organizing modularly simplifies the organizational resource structure, making it easier for entrepreneurs and employees to understand and manipulate. But this can produce hazards because, while entrepreneurs may wish to maximize their freedom by designing independent, future-focused modules that they can easily adjust to their subjective expectations, employees may try to minimize their risk and uncertainty by building interdependencies with future-focused modules that appear likely to be integrated into the organizational system. A similar problem arises in family firms but more pointedly, with the relative status of family and non-family members, or even greater or lesser degrees of family membership (eg blood relatives and in-laws) having long attracted research attention (e.g. Barnett and Kellermanns 2006). Stewardship and agency theories which focus on these divisions and their consequences have yielded many useful insights into the dynamics of family firms.

### *Real options reasoning*

Chiles et al. (2010) suggest further research based on **real options reasoning**, that is, investments entrepreneurs make to avoid finalizing their choices. As they put it: 'Future researchers could treat modules as specific technology options, letting entrepreneurs select the most favourable outcome by determining when to exercise such modular options, when to hold them, and when to let them expire'. The study by Eddleston, Kellermanns and Sarathy (2008) discussed previously suggests that there is a link between familiness and the exercise of specific technology options.

### **Modularity, women and family firms:**

#### *Plan complementarity*

Barrett and Moores' (2009) study of entrepreneurial women in family firms reveals cases of plan and structural complementarity as well as substitutability. Hannah, daughter of a CEO of a major supermarket business in the Middle East, was encouraged by her father to start a flower importing business. The supermarket's existing customers, the know-how available in the firm and so on were resources available to the new entrepreneur and her firm. The new business complemented the original supermarket business and enhanced its profits.

#### *Structural complementarity*

Another female CEO we studied started a management consulting business specialising in family firms. This linked her family business background with to other CEOs with similar backgrounds. Sadly, however, despite her academic expertise and practical experience in solving family business issues, traditional perceptions of her gender – especially in her part of the world, the Middle East, prevented her being able to use her business to influence the direction of the family firm she had grown up in. In recent years, however, this has started to change.

#### *Substitutability*

We have already discussed a case in which the entrepreneur of a large funeral firm was able to exploit a new customer 'need' for funerals by women. The existing family firm resources meant the new business could be quickly 'plugged in'.

### **Modularity and women's entrepreneurship research**

Modularity considered in the light of these cases of entrepreneurial family business women provokes new research questions about antecedents to women's entrepreneurship, especially as regards antecedents to women's entrepreneurship.

#### *Antecedents to women's entrepreneurship*

Questions about what leads to women's entrepreneurship have often been considered in terms of 'push or pull' factors, with women's success in business being said to be generally less than men's because they more often start firms as a result of 'push' rather than 'pull' factors. 'Push' factors include economic necessity, and the need to find a job that will allow women to manage their family responsibilities. Men in contrast, are more likely to start businesses as a result of 'pull' factors such as the wish to exploit an entrepreneurial opportunity. However considering family firm factors in women's entrepreneurship makes it clear that 'push v pull' may be too simple a division. It is often argued that family firms are attractive to women

because of the flexibility they offer. Starting a firm, especially one which the entrepreneur sees as a family firm, may both exploit an opportunity and allow the woman entrepreneur to manage her family responsibilities more readily than a conventional job.

*Perceptions of whether women are more or less entrepreneurial than men*

Issues of modularity could help dig further into the finding (eg by Verheul, Uhlaner, and Thurik 2005) that women both are considered by men – and consider themselves – to be ‘less entrepreneurial’ than men. But this may be at least partly an artefact of popular masculinist perceptions of the entrepreneur as a lone, rugged individual rather than in terms of the value added by starting a new firm or adding value by meeting novel customer needs in an existing firm. Even starting new firms that rely on various forms of modularity with an existing firm or firms may be seen according to popular conceptions of entrepreneurship as less entrepreneurial than starting a ‘wholly new’ venture which bears no obvious modular relationship to an existing firm or firms. This is despite the important role of modularity in the creative entrepreneurial imagination. Investigating such issues using members of a family firm may help control for extra-firm influences or other extraneous factors.

Discussion of the implications for women’s entrepreneurship of family business and modular organisation, and family businesses and real options is given in the following section along with some specific research questions.

**Specific research questions**

Specific new research questions to investigate these issues – perhaps using detailed case methods rather than survey techniques – may include the following:

*For plan complementarity*

*Compare women and men from the same family firm who have both started new firms based on plan complementarity with the original family firm about their perceptions of why they became entrepreneurs (eg push v pull factors), and their perceptions about what constitutes the value added by their new undertaking. Compare these results with results obtained through an independent measure of entrepreneurialism, considered as value created by meeting novel customer needs.*

*Compare two firms started by the same female entrepreneur where one firm exhibits plan complementarity and the other firm exhibits no – or much less – plan complementarity with the original family firm. Use or develop measures of entrepreneurialism relevant to the entrepreneur to investigate whether she has been more, less or equally (but differently) entrepreneurial in the two firms.*

*For structural complementarity*

*Compare aspects of the performance of women-led firms which have a relationship of structural complementarity with an existing family firm with the performance of women-led firms without such a relationship or where the relationship is much less. A further comparison could be made between women entrepreneurs in these firms with and without family firm backgrounds.*

*Compare aspects of the performance of women-led firms where the entrepreneur has a family background with the firms of these women’s sisters who have also started new firms which have no – or more much less – structural complementarity with the*

*original family firm. Again use or develop relevant measures of entrepreneurialism to gain a more complete or more salient understanding of specific aspects of these women's entrepreneurial behaviour.*

*For both plan and structural complementarity*

We mentioned earlier the possibility that views of whether women or men are 'more entrepreneurial' may be influenced by widely held masculinist views of entrepreneurship. If this is true, we might hypothesize that plan complementarity (arranging heterogeneous resources within a single firm including the kind of corporate entrepreneurship engaged in by Deborah and Brenda) may be seen as 'less entrepreneurial' than arranging resources which starting a new firm, or arranging heterogeneous resources between different firms to create competitive advantage. To test this, one could investigate whether

*women CEOs who start new firms based on plan complementarity with their original family firm (the funerals by women situation) see themselves and are seen by others as less entrepreneurial than:*

*their sister who is a CEO of a new firm relying on plan complementarity or*

*their brother who is a CEO of a new firm relying on structural complementarity.*

*However they may not see themselves – or be seen by others – as less entrepreneurial than their brother who starts a plan complementarity firm.*

As with the other specific research questions about women's entrepreneurship and modularity, it would be important also to compare each of these sets of perceptions with relevant independent measures of the value added by meeting customer needs.

*For other inter-firm (ie structural) modularity options*

Chiles et al. (2010) argue future researchers should also investigate the value of inter-firm modularity options: product architectures that span firm boundaries and comprise inter-organizational relationships such as joint ventures, strategic alliances and outsourcing arrangements. A specific research topic in this area could be to

*explore sites of women's entrepreneurship using case studies of women-led and male-led firms, perhaps second generation entrepreneurs from the same family that therefore interact with the same original family firm via joint ventures, strategic alliances, and outsourcing.*

*For modularity and family/non-family issues*

We noted earlier that in family firms various forms of 'insider' v 'outsider' status can affect the organizational resource structure. What has attracted less attention is whether the varying, gender-based responsibilities of men and women employees *within the same family* create tensions around the choices in modular organization in family firms. Again referring to our previous research (see Barrett and Moores 2009), the cases of both Felicity and Ingrid alert us to an unexplored gender angle to this issue. Both Felicity and Ingrid experienced open or latent conflict with their brothers. In both cases this affected how the resources of the firm were arranged. Moreover, Felicity was also married to (and later divorced from) a man who was appointed to a job in the family firm. This was done by Felicity's father and her brother,

who did not consult her. The role Felicity's husband took also affected the modular organization of firm resources in a way which, in Felicity's view, strongly reinforced traditional gender roles for family business women: that they should provide children for the firm rather than contribute to its business direction. This further suggests another specific research topic in women's entrepreneurship, namely that

*family firms should be explored for ways in which they might reveal gender-related aspects of modular organisation.*

*For real options reasoning* We noted earlier in the context of Chiles et al.'s (2010) discussion of real options reasoning, that is, entrepreneurs' investments to avoid finalizing their choices, that this has a special dimension in family firms where 'familiness' links to the exercise of these options. In women's entrepreneurship research family firms – where the circumstances of the firm are consistent for various members and which therefore function has a kind of controlled environment – appear to be an apt site for investigating whether real options reasoning has a gender dimension. Specifically, researchers should

*investigate whether similar real options are open to women and men within the same family firm to reveal whether patterns of their availability and uptake appear to be gender-based.*

The results in family firms could lead to further studies of the same issue in non-family firms.

### *Research techniques*

For all these specific investigations, detailed case studies rather than survey techniques are likely to be needed to overcome the practical issues in finding appropriate survey participants. Even single case investigations might be difficult since they would require finding suitable firms, sometimes involving brother and sister CEO pairs. To overcome these difficulties the research issues could be tested using detailed scenarios as outlined in other research (cf Barrett 2004).

### Self-organization

#### **Definition**

According to Chiles et al. (2010), the idea of 'self-organization' derives from a dialogue between complexity theory and an RS view of economics. Self-ordering processes creatively organize competitive entrepreneurial markets by generating far-from-equilibrium market order. The entrepreneur has the capacity to imagine a 'creative' order (that is, to subjectively imagine novel, solutions to future customers' problems) and to realise these solutions as products by recombining firms' resources even when the future is 'under perpetual construction'. That is, the entrepreneur has the capacity to imagine novel solutions to customer problems when markets move away from rather than towards equilibrium.

The idea of self-organization differs from most Austrian economics in that it does not assume that equilibrium is a somehow more desirable situation than disequilibrium, and that disequilibrium is inherently disordered. Rather, disequilibrium is taken as the normal state, and has its own form of order. To date, the idea of self-organization has not been used very much in entrepreneurship research. This has mainly been because of inattention to markets and to longitudinal studies in entrepreneurship generally (Chandler and Lyon 2001; Davidsson and Wiklund 2001). Equally, strategy researchers have not considered disequilibrium contexts in their study of how intra-industry firm heterogeneity evolves (eg

Noda and Collis 2001; Hambrick et al. 2005), or how persistent heterogeneity fuels sustained innovation in an industry (Knott 2003).

### **Self-organization and family firms**

#### *An organizational focus on entrepreneurs*

To appreciate the value of family firms in relation to self-organization, it is helpful to recall our earlier discussion about changes in scholarly and research approaches to entrepreneurship, particularly the argument of Low and MacMillan (1988: 142) that entrepreneurs are socially important not because they exist *as individuals* but because they succeed in creating *organizations*, often against severe odds. They further argue that ‘any theoretical model or research design should integrate the outcomes of entrepreneurial efforts and the processes that led to those outcomes’. The RS perspective, with its emphasis on the entrepreneur as an object of study as an individual<sup>1</sup>, represents a partial return to the traditional, romantic interpretation of the entrepreneur that Low and MacMillan as well as many others have strongly criticized.

Studying how family firms both create and adjust to disequilibrium markets can function as an important corrective to this romantic tendency in the RS view of entrepreneurship. The study of family firms has been accorded the status of a discipline in its own right (Moore 2009: 3). By virtue of the way they bring together family, owners and managers as an overlapping three-circle Venn diagram (Moore 2009: 3) they bring not merely organizational rather than individual elements to discussions of entrepreneurial behaviour: the family and the family business.

#### *Family firms and disequilibrium markets*

Chiles et al. (2010) point out that unless some industry-level ‘sameness’ exists initially, the order of disequilibrium does not form. In the CareerBuilder study which is the focus of Chiles et al. (2010), the move away from equilibrium occurred when firms in the recruitment/hiring market initially moved online but with newspaper advertising remaining important. This initially created a new ‘sameness’ (print and online technologies used a similar business model for recruitment/hiring), but this rapidly enabled a further divergence, with quite different models for generating revenues emerging as online recruitment/hiring became dominant. This is highly relevant to the experience of family firm entrepreneurs. Typically, successors in family firms need to recognise what remains ‘the same’ in relevant markets to judge what novel solutions can be created by recombining resources inside and outside their firm. This in turn creates further heterogeneity and a corresponding need to manage the family firm ‘differently’ (Moore and Barrett 2002).

#### *Business families and disequilibrium markets*

In previous sections we briefly considered two contrasting ideas about what makes an entrepreneur important – in particular the tension between the idea that it is because entrepreneurs start new *organizations*, and the idea that it is because they *as individuals* have a special capacity to generate value-creating solutions to as yet unimagined needs.<sup>1</sup>

Again, studies of family firms or studies of business families lend themselves to a focus on aspects of entrepreneurial organizations rather than individuals. The families associated with family firms often own more than one firm within one industry. Thus studying business

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<sup>1</sup> There are of course other views about what makes entrepreneurs important, depending on the kind of problem one starts out trying to solve.

families and the conglomerates they control allows researchers to examine the history of a product or service as a result of successive recombinations of resources beyond the original family firm. Considering in a range of firms within the family business group allows us to see the various stages of the dissipative market unfolding – the move away from rather than towards equilibrium.

### **Self-organization and women's entrepreneurship research.**

As with the other facets of the entrepreneurial imagination, the phenomenon of self-organization suggests new ways of looking at women's entrepreneurship research.

#### *Feminism and critiques of individualist perspectives of entrepreneurship*

We mentioned earlier that the way much entrepreneurship research has focused on the entrepreneur as an individual has attracted criticism. These critics include feminist thinkers, who have found fault with the uncritical masculinist emphasis of many individually-focussed studies of entrepreneurs. This overly romantic view of the entrepreneur obscures the fact that most entrepreneurs achieve only modest success and that success does not depend entirely on the capacities of individuals. Considering women entrepreneurs in a family firm context shifts the individual focus towards the wider contexts of the family and its firm or firms.

#### *Women entrepreneurs and 'male' or 'female' industries*

Feminist researchers have criticized entrepreneurial studies which focus unduly on firms producing highly technical products which are less representative of the type of product or service offered by women entrepreneurs' firms. However examining the experience of women in family firms could allow this issue to be finessed. Our work in this area includes studies of the entrepreneurial behaviour of family business women in highly technical, male-image industries. Our findings suggest that growing up in the family firm removes some of the obstacles to women being able to act entrepreneurially in a technical, male-image industry context.

#### *Women, families and all that jazz*

Chiles et al. (2010) point out that no frameworks have yet been devised to consider disequilibrium as a normal state. As a starting point they suggest the notion of entrainment, which has been used to try to describe and explain the 'communication' that leads to new rhythms appearing in improvisational jazz performances, the emergence of new urban forms and related phenomena which are both contained and improved. Chiles et al. (2010) suggest that perhaps a fluctuation in the aggregate pattern of competitive entrepreneurial action or thought rhythms may trigger positive feedback processes that drive the market beyond a bifurcation point into a new order. Dieleman (2008) echoes this idea in her book-length study of the Salim Group: *The Rhythm of Strategy: A Corporate Biography of the Salim Group of Indonesia*. She points out that the Salim Group's strategies have been like a series of changing rhythms, oscillating between a business model build on connections and a professional model adapted to the market. Given the institutional context of Indonesia, which Dieleman describes as characterized by high transaction costs, corruption, political risk, and ample business opportunities to cater to a large and rapidly growing consumer base, a capacity for improvisation was vital. Likewise, we could consider women-led firms in a business-owning family as being like players in the jazz band which is the business owning family's industry. Our work suggests women's journeys to family business leadership are different from men's (Barrett & Moores 2009). It remains to be seen whether the different journeys also bring changes to the industry, but the changes to firms that some women bring to their management have the potential to change the industry profoundly.



## Conclusion

This paper has briefly applied an RS approach to entrepreneurship, combining this with a focus on the family firm contexts of women's entrepreneurship. The results, considered in the light of propositions, insights and unresolved issues from earlier research present new research questions which derive from the three aspects of the entrepreneurial imagination: empathy, modularity and self-organization. Other researchers are likely to be able to refine these questions further. In all the combination of the RS perspective and family firms suggests a likely way forward for connecting women's entrepreneurship research with more and better theory.

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